

# **Miami Dade County**

Stephen P. Clark Government Center  
111 N.W. 1st Street  
Miami, Fl. 33128



## **LEGISLATIVE ANALYSIS**

Wednesday, April 21, 2004  
10:00 AM  
Commission Chambers

**Board of County Commissioners**

**Economic Development & Human  
Services Committee**

**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT**

*ORDINANCE GRANTING ENTERPRISE ZONE AD VALOREM TAX EXEMPTION TO WILLIAMSON CADILLAC COMPANY (BODY SHOP), A NEW BUSINESS LOCATED IN THE ENTERPRISE ZONE; PROVIDING SCOPE AND TERMS OF EXEMPTION; PROVIDING SEVERABILITY, EFFECTIVE DATE AND EXPIRATION DATE*

Office of Community and Economic Development

**I. SUMMARY**

The Office of Community and Economic Development (OCED) recommends that the BCC approve the ordinances granting Enterprise Zone Ad Valorem Tax Exemption to Williamson Cadillac Company (Body Shop), American Petroleum of Franjo, LLC, and Pelican Development, LLC.

**II. PRESENT SITUATION**

The Enterprise Zone Ad Valorem Tax Exemption was authorized by this Board through Ordinance 88-27 and revised under Ordinance 96-74. To be eligible for the exemption, a new or expanding business must create a minimum of five (5) new full-time jobs. If 20% or more of the company's employees are residents of an Enterprise Zone, the exemption for that year will be 100% of the assessed value of all improved real property or tangible personal property. If the company does not meet the 20% rule then its exemption will be limited to 50% of the assessed value. OCED will monitor the firm's compliance during the life of the exemption.

**III. POLICY CHANGE AND IMPLICATION**

None

**IV. ECONOMIC IMPACT**

	3A	3B	3C
	Williamson Cadillac Company (Body Shop)	American Petroleum of Franjo, LLC	Pelican Development, LLC
Total new investment	\$1,460,000	\$550,000	\$4,400,000
Projected new jobs	30	6	9
Term	5 years	5 years	5 years
Exemption per year	\$11,434.96 (100%)	\$768.08 (50%)	\$25,790.47 (100%)
EZ employees	7 (23%)	0 (0%)	2 (22%)
Non-Miami-Dade EEs	1	0	0

**V. COMMENTS AND QUESTIONS**

None

**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT**

*RESOLUTION AMENDING RESOLUTION NO. R-857-03 AUTHORIZING THE FUNDING OF THE TORNADO RELIEF BUSINESS ASSISTANCE PROGRAM IN AN AGGREGATE AMOUNT OF \$309,678 AND SUBSTITUTING \$131,678 OF GENERAL REVENUE FUNDS WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR THE TORNADO RELIEF PROGRAM AND TECHNICAL ASSISTANCE PROVIDED BY TOOLS FOR CHANGE*

Office of Community and Economic Development

**I. SUMMARY**

This resolution makes revisions to the Tornado Relief Business Assistance Program (TRP). In July the BCC authorized \$500,000 to the TRP for business in the Brownsville area. 12 applications under the TRP have been accepted for a total of \$189,678 with an administrative cost of \$40,000 for a total project cost of \$229,678. This item does not affect the \$100,000 funding to Tools for Change (TFC). The TFC's \$100,000 will be funded \$80,000 in cash and \$20,000 in OCED administrative support.

**II. PRESENT SITUATION**

23 businesses were expected to benefit from the TRP but as a result of assistance provided by the US Small Business Administration (SBA) only 12 applications have been accepted for a total dollar amount of \$189,678.

**III. POLICY CHANGE AND IMPLICATION**

N/A

**IV. ECONOMIC IMPACT**

Original	Revised
23 Businesses Expected	12 Businesses Accepted
\$460,000 anticipated	\$189,678 actual
\$40,000 Administrative	\$40,000 Administrative
Admin cost per business = \$1,739.13	Admin cost per business \$3,333.33

**V. COMMENTS AND QUESTIONS**

- In the original item committed \$500,000 in General Fund Dollars, but that was latter reduce by OSMB to \$178,000. In this case OCED was able to find CDBG dollars to make-up the shortfall but why? What CDBG qualifying projects did not get funded?
- Are the Administrative Costs reasonable?

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## LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

*RESOLUTION AUTHORIZING THE COUNTY MANAGER OR HIS DESIGNEE TO APPROVE CHANGE ORDER NO., ONE TO RETROACTIVELY EXTEND AND ADJUST THE CONSTRUCTION CONTRACT BETWEEN FLORIDA CONSTRUCTION & ENGINEERING INC., AND MIAMI-DADE COUNTY FOR THE REPLACEMENT OF WATER AND SEWER LINES AT NEWBERG APARTMENTS A PUBLIC HOUSING DEVELOPMENT, USHUD ID NO., FL5-03; EXECUTE ANY NECESSARY AGREEMENTS*

Miami-Dade Housing Agency

### I. SUMMARY

Due to delays reportedly caused by unforeseen circumstances, a change order is retroactively being requested to extend and adjust the construction contract. The original contract was to replace water and sewer lines for the Newberg Apartments a public housing development located at 7217 NE Miami Court. The original contract amount was for the amount of \$930,758.00. This change order will increase the contract by \$257,661.50 for a final contract amount of \$1,188,419.50. The original contract expired on April 29, 2002, and this change order will extend the contract from April 29, 2002 to March 31, 2004.

### II. PRESENT SITUATION

According to the item, this change order is being requested due to unforeseen circumstances that resulted in demolition and reconstruction of bathroom walls with metal partitions along with other modifications. According to Attachment B of the item, all parties to this project settled on a change order amount of \$257,661.50, which is intended to release the County from past, current and future claims.

### II. POLICY CHANGE AND IMPLICATION

This resolution would approve a 27% retroactive increase to the contract price. Additionally, this extends the contract completion date from April 29, 2002 to March 31, 2004.

### III. ECONOMIC IMPACT

This would require an increase to the original contract in the amount of \$257,661.50.

**ED & HS ITEM 4(D)**

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**IV. COMMENTS AND QUESTIONS**

Questions:

- This change order amends the expected completion date to March 31, 2004, but it is unclear if the project has been completed. Has the project been completed and is this the final change order?

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## LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

*RESOLUTION AUTHORIZING A MORATORIUM ON ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS OF THE COUNTY'S ENTERPRISE ZONE PROGRAM FOR BUSINESSES IN THE MIAMI INTERNATIONAL AIRPORT TERMINALS; AUTHORIZING THE PROCESSING OF NINE (9) AD VALOREM TAX EXEMPTION APPLICATIONS FILED BY AIRPORT COMPANIES PRIOR TO MAY 6, 2003; AND AUTHORIZING OTHER ENTERPRISE ZONE INCENTIVES TO REMAIN UNCHANGED UNTIL THE EXPIRATION OF THE STATE OF FLORIDA ENTERPRISE ZONE PROGRAM*

Office of Community and Economic Development

### I. SUMMARY

In May of 2003 the BCC instituted a moratorium on accepting and granting Ad Valorem Tax Exemptions (Tax Abatement) to businesses expanding or locating in the Miami International Airport terminals, which is part of the Enterprise Zone of Miami-Dade County. This resolution request that the applications filled before the moratorium in May be allowed.

### II. PRESENT SITUATION

There are three companies whose applications have been deferred and six companies which are pending BCC Action as a result of the moratorium.

### III. POLICY CHANGE AND IMPLICATION

This will allow companies who were in the application process prior to the moratorium to be grandfathered in which is in contradiction to Resolution 517-03.

### IV. ECONOMIC IMPACT

75,780 dollars in total abatements have been approved at MIA Terminal-Based Companies through December of 2003. This resolution would increase that number by at least \$20,000 plus four abatements for which dollar values were unavailable.

### V. COMMENTS AND QUESTIONS

The same arguments as in May are still valid. Businesses want to be at MIA we do not need to provide additional stimulus.

However, it should be noted that in order for businesses to attain 100% of the Enterprise Zone Exemption they must have 20% or more of their employees to be residents of the Enterprise Zone which would be a stimulus to hire residents from the Enterprise Zone.

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**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT**

*RESOLUTION APPROVING TARGETED JOBS INCENTIVE FUND (TJIF) FOR BOSTON SCIENTIFIC SYMBIOSIS CORPORATION AS A TARGETED JOBS INCENTIVE FUND PROGRAM BUSINESS PURSUANT TO THE CODE OF MIAMI-DADE COUNTY, FLORIDA, CHAPTER 2, ARTICLE LXXXVI AS MODIFIED BY ORDINANCE NO. 02-251; CONFIRMING THAT THE COMMITMENT OF INCENTIVE AWARDS FOR BOSTON SCIENTIFIC SYMBIOSIS CORPORATION EXISTS; AND PROVIDING AN APPROPRIATION OF UP TO \$231,093 FROM GENERAL REVENUE FUNDS FOR FISCAL YEARS 2005 THROUGH 2010 WITH THE PROVISIO THAT ANY TAX ABATEMENT GRANTED TO BOSTON SCIENTIFIC SYMBIOSIS CORPORATION, UNDER FLORIDA STATUTE 196.1995, REDUCES ANY TARGETED JOBS INCENTIVE FUND INCENTIVE AWARD TO BOSTON SCIENTIFIC SYMBIOSIS CORPORATION, BY THE AMOUNT OF ANY SUCH TAX ABATEMENT GRANTED, AND PROVIDING FOR AN EFFECTIVE DATE*

Office of Community and Economic Development

**I. SUMMARY**

The Office of Community and Economic Development is recommends that the BCC approve the attached Targeted Jobs Incentive Fund (TJIF) applications and agreements.

**II. PRESENT SITUATION**

The Targeted Jobs Incentive Fund (TJIF) is an initiative by The Beacon Council and Miami-Dade County patterned after the State of Florida Qualified Target Industry Tax Refund Program (QTI). The program's intent is to attract relocating out-of-area businesses and encourage expansion of existing local companies by providing cash incentive awards.

**III. POLICY CHANGE AND IMPLICATION**

None

**IV. ECONOMIC IMPACT**

AGENDA ITEM	Project Name	New Jobs	New Capital Investment	Miami-Dade New Incremental Tax Revenue Generated	Incentive Award (paid over 6-yr period)	Net Revenue Benefit to Miami-Dade
4F	Boston Scientific	120	11,657,000	356,485	231,093	125,392
4L	50 State Security	250	3,000,000	129,208	118,750	10,458

**V. COMMENTS AND QUESTIONS**

None

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**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT**

*RESOLUTION RECOMMENDING THAT CONFIDENTIAL PROJECT NO. 04-00245 BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTES S-288.106, CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT NO. 04-00245 EXIST; AND PROVIDING AN APPROPRIATION OF UP TO \$66,000 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2005, 2006, 2007, 2008, 2009 AND 2010 OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT NO. 04-00245 APPLICATION WITH THE PROVISIO THAT ANY TAX ABATEMENT GRANTED TO CONFIDENTIAL PROJECT NO. 04-00245 UNDER FLORIDA STATUTE 196.1995 REDUCES ANY QUALIFIED TARGET INDUSTRY TAX REFUND TO CONFIDENTIAL PROJECT NO. 04-00245 BY THE AMOUNT OF ANY SUCH TAX ABATEMENT GRANTED, IN COMPLIANCE WITH FLORIDA STATUTE 288.106(5)9(C); AND PROVIDING FOR AN EFFECTIVE DATE*

Office of Community and Economic Development

**I. SUMMARY**

The Office of Community and Economic Development recommends that the BCC approve the attached Qualified Target Industry (QTI) tax refund applications and agreements.

**II. PRESENT SITUATION**

The Qualified Target Industry (QTI) tax refund program is pursuant to Florida Statutes Section 288.106. The program's intent is to attract relocating out-of-area businesses and encourage expansion of existing local companies by providing a tax refund.

**III. POLICY CHANGE AND IMPLICATION**

None

**ECONOMIC IMPACT**

Item	Project Name	New Jobs	New Capital Investment	QTI REFUND			Miami-Dade New Incremental Tax Revenue Generated	County QTI Match	Net Revenue Benefit to Miami-Dade (per Beacon)	Total ROI (per Beacon)
				TOTAL	STATE 80%	COUNTY 20%				
4I	Confidential 04-00245	55	2,315,840	330,000	264,000	66,000	94,677	66,000	28,677	1.43
4J	Confidential 04-00260	50	492,500	175,000	140,000	35,000	42,171	35,000	7,171	1.20
4K	Boston Scientific	120	11,657,000	360,000	288,000	72,000	356,485	72,000	284,485	4.95



**ED&HS ITEM 4(I), 4(J), 4(K)**

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ROI – Return on Incentive Investment equals Miami-Dade New Tax Revenue Generated divided by the County's match.

The funding for the Miami-Dade County portion of the QTI shall come from the County's General Fund.

**IV. COMMENTS AND QUESTIONS**

None

## LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

*RESOLUTION AUTHORIZING THE CONVEYANCE OF LAND TO THE MIAMI-DADE EMPOWERMENT TRUST, INC. FOR THE DEVELOPMENT AND SALE OF TWENTY-ONE (21) AFFORDABLE HOUSING UNITS IN ACCORDANCE WITH FLORIDA STATUTE 125.38; AUTHORIZING THE COUNTY MANAGER TO EXECUTE ALL CONTRACTS, AGREEMENTS AND AMENDMENTS NECESSARY TO CARRY OUT THE ABOVE PROGRAMS; AND AUTHORIZING THE COUNTY MANAGER TO EXERCISE THE CANCELLATION PROVISIONS CONTAINED THEREIN*

Office of Community and Economic Development

### I. SUMMARY

The Office of Community and Economic Development (OCED) is seeking the authority to transfer the Sandy Pines Project to the Miami-Dade Empowerment Trust, Inc. (Trust). Upon the successful conveyance of the above described project, the Trust intends to create a Limited Liability Corporation (LLC) and enter into a public/private partnership with Green Devco, Inc., whose principal owners are Nilda L. Green and Thomas R. Green, for the purpose of completing the remaining 21 affordable single-family homes. The construction of these units is expected to be completed within 12 months.

### II. PRESENT SITUATION

This project, which is located at SW 256<sup>th</sup> Street and SW 127<sup>th</sup> Avenue in Unincorporated Miami-Dade County, was originally a project of Tacoley Economic Development Corporation (TEDC) and New Vista Development Corporation (NVDC). The Sandy Pines Project was initially intended to include the construction and sale of 26 single-family homes to low-to-moderate income families. That number was later reduced to 25 single-family homes. As of July 1999, the following progress has been made with the 25 Single-Family homes:

- 4 units have been completed and sold by SPJV
- 2 units have been built, but lack Certificates of Occupancy
- 8 units are partially built
- 11 units have not been constructed

OCED allocated an aggregate amount of \$1 million in HOME funds for this project, an additional construction loan in the amount of \$1 million, of which \$455,000 was provided as a grant. This project subsequently resulted in a lengthy series of events from 1995 to present, as described in the memorandum portion and Attachment A of the item. At one point, the County allowed subordination of their interest, to allow SPJV to receive bank financing from City National Bank. This project was subsequently foreclosed on by City National Bank in 2001. OCED purchased the above described property, during the above described foreclosure sale, for \$214,367.87.

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### **III. POLICY CHANGE AND IMPLICATION**

This resolution will permit the transfer of land from OCED to the Trust. A Limited Liability Corporation, entitled South Dade EZ Ventures LLC, will be created for the purpose of enabling a joint venture with Green Devco, Inc., a private for-profit entity in a joint effort to complete the Sandy Pines project.

Staff indicates that this project is consistent with the Trust's mission, which is to eliminate slum and blight, to create affordable housing and to increase the economic stability of neighborhoods.

### **IV. ECONOMIC IMPACT**

The original participants in this venture, New Vista Development Corporation and Tacolcy Economic Development Corporation, received HOME funds in the aggregate amount of \$1 million in 1995 and 1996. Additionally, TEDC received a construction loan of \$1 million, of which \$450,000 was provided as a grant. This project was later purchased by OCED from City National Bank during foreclosure proceedings in the amount of \$214,367.87.

Additionally, the approval of this resolution will result in a projected construction budget of \$1,258,133.00 and an additional allocation of \$500,000 in HOME funds for the purpose of mortgage assistance and administrative assistance.

### **V. COMMENTS AND QUESTIONS**

Questions:

- 1) Were any of the original participants involved in any other unsuccessful projects with the County?
- 2) Will the new project participant, Green Devco, Inc. be assuming any of the construction or administrative costs associated with this project? If so, how much?
- 3) Are there any other debts/liabilities associated with this project that need to be repaid?
- 4) At the time of foreclosure, what was the market value of the property?
- 5) What will be the total cost for this 25 unit project?

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## LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

### *RESOLUTION APPROVING FORM OF INTERLOCAL AGREEMENT AMONG THE CITY OF MIAMI, MIAMI-DADE COUNTY AND MIDTOWN MIAMI COMMUNITY DEVELOPMENT DISTRICT FOR THE MIDTOWN MIAMI PROJECT; AND AUTHORIZING COUNTY MANAGER TO EXECUTE AND DELIVER INTERLOCAL AGREEMENT*

Office of Community and Economic Development

#### **I. SUMMARY**

In December the BCC approved the Creation of the Midtown Miami Community Development District (CDD) for the Midtown Miami Project. The BCC also approved a Section 108 loan to the CDD to help fund the Development. This resolution approves the Interlocal Agreement between the City, County, and the CDD.

#### **II. PRESENT SITUATION**

The BCC has approved the creation of the CDD and a Section 108 Loan to the CDD. In December when the CDD was created, language was inserted that suggested the Developer would ask that the County and City share revenues with the CDD to pay for the Bond Debt.

#### **III. POLICY CHANGE AND IMPLICATION**

CDD have no fiscal impact on the County. However in this case the County would be responsible for a portion of the Debt Service. The CDD is looking for either the County or City to pay Debt Service or to have a Community Redevelopment Agency (CRA) which would use Tax Increment Financing to pay for the Debt.

#### **IV. ECONOMIC IMPACT**

Incremental revenues to the County from ad Valorem taxes on the development components are projected to increase from the first year (2008) estimate of \$2,165,000 to over \$14,000,000 million in year 2037. It is projected that the County's 40% share of the Debt Service is approximately \$2,400,000 per year.

If a CRA is established for Midtown Miami, the County would not be responsible for the Debt Service Payment but will also not have the Incremental Tax Revenues listed above.

#### **V. COMMENTS AND QUESTIONS**

Does the BCC want to set the precedence of paying for CDD Debt?